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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/541,185	06/29/2005	Frederick Roelof Van Rensburg	U 015834-0	4901
140	7590	03/07/2011		
LADAS & PARRY LLP 1040 Avenue of the Americas NEW YORK, NY 10018-3738			EXAMINER GOTTSCHALK, MARTIN A	
			ART UNIT 3693	PAPER NUMBER
			NOTIFICATION DATE 03/07/2011	DELIVERY MODE ELECTRONIC

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

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Office Action Summary**Application No.**

10/541,185

Applicant(s)VAN RENSBERG, FREDERICK
ROELOF**Examiner**

MARTIN A. GOTTSCHALK

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 13 September 2010.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1, 4-14 and 16 is/are pending in the application.
- 4a) Of the above claim(s) 6-11, 13 and 14 is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1, 4, 5, 12, and 16 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date _____
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date _____
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: _____

DETAILED ACTION

Notice to Applicant

1. Claims 1, 4, 5, 12, and 16 have been examined. Claims 2, 3, and 15 are cancelled. Claims 6-11, 13, and 14 are withdrawn. Claims 1, 4, and 5 are amended. Claim 12 is as previously presented. Claim 16 is new.

Continued Examination Under 37 CFR 1.114

2. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 09/13/2010 has been entered.

Claim Rejections - 35 USC § 101

3. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

4. Claims 1, 4, 5, 12, and 16 are rejected under 35 U.S.C. 101.

As per claims 1, 4, 5, and 12, these claims stand rejected under this section from the previous Office Action. In the current response, Applicant has amended independent claim 1 from reciting

"whereby the insurer transforms the value of...<into another value>"

as it recited previously, to now reciting

"whereby the insurer transforms a number of dollars payable for...<into another number of dollars>."

Applicant then argues that the claim recites suitable "transformation" to make it statutory. In response, the Examiner respectfully reminds Applicant that the rejection under 35 USC 101 in the previous action contends that the claims do not fall into one of the four statutory classes of patentable subject matter. Applicant's assertion of "transforming" finds its authority in the M.O.T. (machine or transformation) test

presented as part of the *In re Comiskey* decision. Examiner notes that this test is applied to method claims, as Applicant has not submitted a proper method claim all arguments to "transforming" are not relevant and do not overcome the rejection.

However, to provide compact prosecution the examiner would like to note that if the claims were presented as proper method steps, Applicants arguments to transformation would not be persuasive. Specifically, "transforming" one number of something to another number, apparently via calculation, is not considered to be a physical transformation of one thing to another as required to be considered statutory material.

Claims 4, 5, and 12 depend from claim 1 and are thus rejected as well. **Therefore the rejections for all of these claims under this section are maintained.**

As per new independent claim 16, similar analysis applies. It recites wherein

"...the insurer transforms a vehicle...into a similar vehicle...by compensating an owner...a number of dollars..."

The Examiner notes that in this case, the first vehicle is not actually physically transformed into another vehicle, but rather remains in the same state throughout the process. Thus it is not considered to meet the standard of transformation required to render the material of the claim statutory.

Claim Rejections - 35 USC § 102

5. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

6. Claims 1, 4, 5, 12 and 16 are rejected under 35 U.S.C. 102(b) as being anticipated by Buggs (Buggs, Shannon, "Beef Up Insurance If Leasing Vehicle." Houston Chronicle. Houston, Texas, Jun 18, 2001. pg. 1, hereinafter Buggs).

As per claims 1 and 16, Buggs teaches an insurance product comprising

a policy whereby the insurer transforms the value of a damaged and repaired article that has been insured into the number of dollars payable for a damaged and repaired article that has been insured into number of dollars payable for an article that is similar but undamaged,

when the owner disposes of the insured article, by compensating an owner of the repaired article a difference in number of dollars payable for the repaired article and the number of dollars payable for undamaged similar article, such that the transformed number of dollars payable for the repaired article is similar to the number of dollars payable for the undamaged similar article, (Buggs: pg 2,

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paragraphs 10-11, i.e. "gap insurance"; also : pg 2, paragraph 20 "A full report will tell you..." i.e. the car was in an accident but repaired well enough to sell; pg 2, paragraphs 13-14, i.e. replacement insures provides a similar car, which the Examiner considers to be of similar value.).

wherein

the insured article is a motor vehicle (Bugs: pg 2, paragraphs 10-11, i.e. "gap insurance").

and

the loss in the number of dollars payable for the insured article was incurred as a result of a diminution in the number of dollars payable for the insured article due to the insured article having been damaged in an accident, notwithstanding that the insured article was competently repaired after the accident (Bugs: pg 2, paragraphs 20 "A full report will tell you..." i.e. the car was in an accident but repaired well enough to sell. The Examiner also notes that an article could be damaged then repaired, then damaged again more severely such that it is totaled, wherein gap insurance would cover any difference between market value and what is owed to a financing entity.).

As per claim 4, Buggs teaches an insurance product as claimed in claim 1,

in which the compensation is in respect of the whole of the loss (Buggs: pg 2, paragraphs 13-15, i.e. "payoff").

As per claim 5, Buggs teaches an insurance product as claimed in claim 1,

in which the owner is compensated when the value of the repaired article is less than an agreed minimum value, and the agreed minimum value is an average price for undamaged similar articles, as determined by an independent party (Buggs: pg 2, paragraphs 10-11, i.e. "gap insurance", where agreed minimum value is the difference between the damaged vehicle and what is owed on the lease.)

As per claim 12, Buggs teaches an insurance product as claimed in claim 1, wherein

the difference in value is compensated to the owner in the form of currency (Buggs: pg 2, paragraph 12).

As per claim 15, Buggs teaches an insured article as claimed in claim 2, wherein

the difference in value is compensated to the owner in the form of a discount granted by a dealer in respect of a purchase price of another motor vehicle when the owner trades in the insured motor vehicle (Buggs: pg 3, paragraphs 8-9).

Response to Arguments

7. Regarding the arguments pertaining to the rejections under *35 USC § 101*, Applicant is referred above to the rejections for the cited claims under the corresponding section of the Office Action.

8. Regarding the prior art rejections, Applicant essentially argues that the Buggs reference is not pertinent because it teaches only that leased vehicles that are totaled are covered by "gap insurance," and does not deal with insurance for vehicles that are repaired and subsequently disposed. Applicant concludes that due to this alleged defect, the cited Buggs reference is not read on by the claims. In response, the Examiner respectfully disagrees and reiterates the previous position on this issue noting the following hypothetical scenario that would be included under a "gap insurance" regime:

- 1) a leased vehicle that was damaged and
- 2) competently repaired,
- 3) that is subsequently in an accident that totals the car,
- 4) where the car is then disposed,

5) would at that time have the gap insurance cover the difference between what the vehicle owner owed on the lease, and the market value of the car paid for by the regular, primary, collision insurance of the vehicle owner.

Conclusion

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

9. Any inquiry concerning this communication or earlier communications from the examiner should be directed to MARTIN A. GOTTSCHALK whose telephone number is (571)272-7030. The examiner can normally be reached on Mon - Fri 10:00 - 6:30.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James A. Kramer can be reached on (571) 272-6783. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/M. A. G./
Examiner, Art Unit 3693

/James A. Kramer/
Supervisory Patent Examiner, Art Unit 3693